I20037.A21

data;

encoding the said instances in one of two methods comprising of a first method of compression without reference to any future instances and a second method of compression which refers to the future reconstructed instance;

encoding the said local time base in two parts, comprising of a modulo time base that marks the occurrence of a set of time reference spaced evenly at a specific interval on the local time base and a time base increment;

encoding the time base increment for the instance compressed using the first compression method as an absolute value relative to the said evenly spaced time reference;

encoding the time base increment for the instance compressed using the second compression method as a relative value to the local time base of the previously compressed instance using the said first method;

inserting the modulo time base into the compressed data whenever the specific interval have elapsed; and

inserting the time base increment within the compressed data of the said instances of the audio visual sequence.]

[8. A method of decoding a local time base of an audio visual sequence from the time base of the compressed data encoded according to claim 7 comprising the steps of initalizing the reference time base taking into account of the time base offset;

I20037.A21

incrementing the reference time base by a specific interval for each modulo time base decoded;

decoding the time base increment of the compressed instance; and

determining the time base increment to be one of two types, absolute or relative,

depending on the first or second compression method used in the encoding of the instance,
respectively;

determining the decoding time base of the said instance by adding the said decoded time base increment value to the reference time base if the time base is of the first type; and determining the decoding time base of the said instance by adding the said decoded time base increment value to the decoding time base of the previous instance encoded using the first compression method, if the time base increment is of the second type.]

## **REMARKS**

Re-examination and allowance of the present application is respectfully requested.

Initially, Applicants thank the Examiner for indicating that claims 1-6 are allowable over the art of record.

In the amendment filed on December 31, 2002, Applicants canceled, without prejudice, claims 7 and 8. However, in the Ex Parte Quayle Action, the Examiner indicated that the cancellation of claims 7 and 8 must be presented in bracketed form. In accordance with a telephone conversation with the Examiner on May 12, 2003, and in accordance with 37 C.F.R. §1.173(d)(1), Applicants herewith present canceled claims 7 and 8 in bracketed

120037.A21

form. Applicants thank the Examiner for discussing this matter with their U.S. counsel.

The Examiner also indicated that the original Letters Patent must be submitted before the present application can be passed to issue. Applicants have surrendered the original Letters Patent in related reissue application 09/846,207, and enclose a copy of the Surrender Cover Letter that was filed in the related reissue application. Accordingly, Applicants submit that the requirement for surrendering the original Letters Patent has been complied with in the present application.

Applicants submit that they have complied with all the requirements set forth in the Ex Parte Quayle action. Accordingly, Applicants believe that the application is now in condition for allowance, and respectfully requests such an indication from the Examiner.

Should there be any question, the Examiner is requested to contact the undersigned.

Respectfully submitted, Thiow Keng TAN et al.

Bruce H. Bernstein

Reg. No. 29,027

May 12, 2003 GREENBLUM & BERNSTEIN, P.L.C. 1950 Roland Clarke Place Reston, VA 20191 (703) 716-1191

Enclosure:

Surrender of Letters Patent Cover Letter (submitted in related application 09/846,207)